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FAS REPORT

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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE WR-18-82

WASHINGTON, May 5--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

CANADA's Wheat Board has announced the signing of a new long-term grain agreement with Algeria for a three-year period beginning August 1, 1982. The agreement calls for minimum annual sales of 500,000 tons of durum and a maximum of 700,000 tons. In addition, 100,000 tons of bread wheat may be provided annually. Under the old three-year agreement, Algeria had agreed to purchase between 350,000 and 500,000 tons of durum annually. But actual purchases were well above those levels. Algeria bought over 650,000 tons of Canadian durum in 1980/81, or almost one-third of Canada's durum exports. On the other hand, Algeria has only purchased small quantities of Canadian bread wheat over the past 10 years.

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BRAZIL's wheat area is now projected at 2.7 million hectares, up 40 percent from last year but down 12 percent from 1980, according to the U.S. agricultural attache in Rio de Janeiro. The increase is attributed to farmer enthusiasm over last season's excellent yields, the recent announcement of a new crop purchase price equivalent to U.S.$275 per metric ton, and a new loan schedule that is in line with producer expectations. Based on recent yields, Brazil's wheat outturn is expected to be up roughly a tenth from last year's outturn of 2.2 million tons.

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THAILAND and the EUROPEAN COMMUNITY (EC) are now in the process of ratifying a revised voluntary restraint agreement on manioc trade. This action follows pressure within the European Community to limit imports of non--grain feed ingredients. Under the new agreement, Thai manioc exports to the European Community will not exceed 5 million tons in 1982, or about 500,000 tons less than in 1981. In 1983 and 1984, the basic annual quantity will also be set at 5 million tons with the possibility of an additional 500,000 tons for the two years combined. Then for 1985/1986, the basic annual quantity of Thai manioc exports to the EC will fall to 4.5 million tons with the possibility of an additional 450,000 tons over the two-year period. In 1981, the European Community imported an estimated 17 million tons of non-grain feed ingredients, including 6 million tons of manioc. Over 90 percent of the manioc was supplied by Thailand.

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THAILAND's corn production is likely to hit an all-time high in 1982. The U.S. agricultural attache in Bangkok forecasts production will increase about 5 percent from last year's record of 4.0 million tons. A reduction in stocks and fairly heavy export movement pushed recent corn prices on the Bangkok market to their highest level in two years ($152-$155 f.o.b.). Prices in the countryside were even higher than comparable Bangkok prices. The area planted to corn is expected to increase 3 percent due to these higher prices, while the use of improved seed is also expected to boost production.

DAIRY, LIVESTOCK AND POULTRY

Growth in the SOVIET UNION's egg industry is expected to slow this year. During the first quarter of 1982, egg production on state and collective farms was up only 2 percent, compared with a 7-percent increase during the same period in 1981. The slower expansion reflects short feed supplies and poorer quality feed.

During the past several years, Soviet egg production has been closely tied to increased layer numbers. From 1976 to 1981, egg production grew 27 percent to 70.9 billion eggs. But during the same period, annual egg production per hen remained nearly constant at around 200 eggs per layer. Soviet egg output is expected to reach 72.3 billion in 1982.

COTTON

The UNITED STATES' cotton exports this past March jumped to 924,000 bales (480 lb. net), the largest monthly total this season and the second highest March level in 50 years. Leading destinations were Japan (199,000 bales), South Korea (187,000 bales), China (157,000 bales), and Taiwan (125,000 bales). August-March 1981/82 exports totaled 4.4 million bales, 2 percent above the same period last year. The value of $280 million was less than last year because of lower cotton prices.

TOBACCO

MALAYSIA plans to boost its tobacco leaf imports to around 5,600 tons in 1982 to offset its depleted stocks and the shortfall in its tobacco crop last year. Should there be another small crop in 1982, imports could even be larger. The estimated leaf imports, if realized, will be up nearly 75 percent from the 3,228 tons imported in 1981. While the United States is likely to retain 85-90 percent of the import market, there is a growing interest in imports from Brazil, Zimbabwe and Korea.

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In the NETHERLANDS, 1981 cigarette consumption decreased 8 percent with further declines expected in 1982. High cigarette prices, slow growth in consumer incomes, and vigorous anti-smoking campaigns are the major reasons behind this development. These factors, combined with high raw tobacco prices, reportedly place cigarette manufacturers in a squeeze. If they continue, they might deal a major blow to the entire industry. During 1981, Dutch tobacco imports totaled 74,315 tons, down 15 percent from 1980. Re-exports of 14,612 tons, mainly to other countries in the European Community, increased by 6 percent. Purchases by domestic manufacturers in 1981 totaled 60,000 tons, of which 25 percent was U.S. tobacco. Although tobacco leaf imports for manufacturing purposes have remained relatively stable in past years, 1981 showed a decline of 8 percent from 1980.

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Tobacco leaf exports from GREECE in 1981 jumped to 86,430 tons with a value of $273.8 million. This represented an increase of 22 percent by quantity and 26 percent by value. Oriental tobacco exports of 65,666 tons were 76 percent of the total with burley accounting for the remaining 20,764 tons. Greek tobacco shipments to the United States in 1981 increased sharply to 17,065 tons from 10,744 tons in 1980. Burley exports to the United States in 1981 more than doubled to 7,030 tons from 3,145 tons a year earlier. Leaf tobacco imports in 1981 (flue-cured and burley) rose to 3,665 tons compared with 2,772 tons in 1980. This increase of 893 tons is attributed to the uptrend in consumption of Greek-made foreign brands. Most of the imported tobacco is a mixture of burley and flue-cured from various European countries.

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The PHILIPPINES' trade in unmanufactured tobacco rose sharply in 1981. Imports of 15,389 tons were up by 10 percent and exports of 29,438 tons increased by 45 percent. Taiwan was the major supplier of flue-cured leaf, providing 61 percent, followed by the United States with 35 percent. The United States was the major supplier of burley tobacco (59 percent), and South Korea provided the remainder. Exports of flue-cured tobacco increased 86 percent with Hong Kong and West Germany the major markets. Exports of native or cigar filler tobacco increased 18 percent with the European Community and Spain the largest markets.

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The UNITED STATES' exports of unmanufactured tobacco for March 1982 were 28,538 tons, up 16 percent above the same period during 1981. For the first quarter of 1982, leaf exports were 2 percent above 1981 and reached 61,415 tons valued at $354.6 million. A large jump in burley tobacco shipments during March accounted for most of the gain. Burley exports for the first quarter were 16,413 tons valued at $118.8 million, up 107 percent in quantity from the first quarter in 1981. However, flue-cured tobacco exports for the quarter were 32,981 tons, down 13 percent from the same period in 1981.

HORTICULTURAL AND PRODUCTS

The SOUTHERN HEMISPHERE's commercial dried fruit production this year is expected to top 144,000 metric tons--29 percent greater than the 1981 volume. But this will still be 6 percent below the bumper outturn of 1980.

Commercial dried fruit production in selected countries of the Southern Hemisphere is as follows, in thousand metric tons:

	1980	1981	1982 1/
Apricots:			
Australia	1.3	1.6	1.5
South Africa	1.7	1.9	2.0
Currants:			
Australia	6.4	4.2	7.2
South Africa	1.0	0.9	1.0
Prunes:			
Argentina	9.0	7.0	8.0
Australia	2.4	2.6	1.2
Chile	4.5	5.0	5.5
South Africa	1.7	1.3	1.8
Raisins:			
Argentina	5.0	5.5	5.5
Australia	92.0	55.7	82.0
Chile	2.0	2.5	2.0
South Africa	25.4	23.9	26.5
Total	152.6	112.1	144.2

1/ Preliminary

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ARGENTINA's dried fruit output in 1982 is expected to rise to 13,500 tons in 1982, 8 percent above 1981 due to favorable weather and large fresh fruit harvests. Although the 1982 volume of raisins is not expected to exceed the 1981 level, a sizable increase--14 percent--is forecast for prunes.

AUSTRALIA's 1982 crop of dried vine fruits benefited from excellent growing and harvesting conditions, and is estimated at 89,200 tons, 49 percent greater than the 1981 pack. Sultana production is expected to reach 75,000 tons, up from 51,618 tons in 1981. The 1981 lexia raisin crop is forecast at 7,000 tons, compared with 4,105 tons last season.

Production of dried tree fruits in Australia is relatively small and consists primarily of prunes and apricots. While the 1982 apricot harvest is expected to fall only 6 percent short of the 1981 level, output of dried prunes is forecast at less than half the 1981 volume--a reflection of dry weather which sharply reduced yields.

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As a result of new areas coming into production, CHILE is expected to harvest a record crop of dried prunes during the 1982 season. This gain will be partially offset by a decline in the 1982 raisin crop precipitated by stiff competition from fresh market sales and low 1981 export prices. Dried prunes and raisins account for nearly 85 percent of Chile's annual output of dried fruit. The balance primarily consists of dried peaches, although small amounts of dried apples and pears are also produced.

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SOUTH AFRICA's production of dried fruits is expected to total 31,300 tons in 1982, 12 percent greater than the 1981 volume of 28,000 tons. Sultana outturn is forecast at a record 25,500 tons, up from 22,922 tons in 1981. This projected increase reflects the continuing expansion in plantings of sultana vines. In contrast, seeded raisin production is expected to remain relatively static--975 tons in 1982 compared with 983 tons in 1981--because of quality problems and associated low prices. The anticipated increase in dried apricot production in 1982 is directly related to marketing problems in the canned fruit industry. More fruit is expected to be diverted for drying this season because of lower projected cannery intake.

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ECUADOR put into effect a new basis for fixing coffee bean prices for producers and exporters on March 25, 1982. The new system is apparently designed to maximize government revenues and, at the same time, provide price protection for growers and growers' cooperatives. It is expected to have only a marginal effect on the amount of coffee available for export. Under the new system the government sets weekly minimum reference prices for coffee based on quotations in the New York and London markets. A separate price schedule applies for exports of coffee to countries that are not members of the International Coffee Organization. The system also provides for the daily determination of the minimum prices paid to coffee growers.

The Central Bank collects taxes and impounds foreign exchange based on the official minimum prices. These funds are channeled into a price stabilization fund for coffee to offset crop losses when grower production costs exceed receipts, or they are placed in a special credit fund for plantation improvement or the purchase of processing equipment. The system also authorizes tax exemptions for grower cooperatives and related agencies which desire to export directly.

WORLD production of centrifugal sugar (raw value) for 1981/82 is estimated at a record 96.3 million tons, 10 percent greater than the revised 1980/81 estimate of 86.9 million. The upward revision in USDA's second estimate of world 1981/82 sugar production from the first estimate of 95.8 million tons last November is largely the result of higher beet sugar production in the European Community (EC) and greater cane sugar output in some of the larger sugarcane producing countries.

The EUROPEAN COMMUNITY's beet sugar output for 1981/82 is now estimated at 15.8 million tons. This compares with the initial November estimate of 14.7 million tons and represents a 2.9-million-ton increase over the previous year's output. Higher production in France, West Germany and Italy spurred the overall upturn in the EC as larger beet area and excellent weather produced record crops in many countries. EC 1981/82 beet sugar production accounts for 45 percent of the record world beet sugar outturn of 35.0 million tons, which is 8 percent greater than 1980/81.

SOVIET beet sugar production, now estimated at 6.0 million tons, is down 1.1 million from USDA's initial forecast and 900,000 tons from 1980/81. Poor seed resulted in thin stands which, along with drought last summer, reduced the Soviet beet crop to only 60.6 million tons, compared with 79.6 million a year earlier. On the other hand, POLAND had an excellent crop of 1.9 million tons, up 74 percent above the weather-reduced 1980/81 crop.

WORLD cane sugar production for 1981/82 is now estimated at 61.3 million tons (64 percent of estimated world sugar production), 6.7 million above 1980/81. Production estimates for India, South Africa, and Thailand are up over earlier indications and significantly above 1980/81 levels.

INDIA's output of centrifugal sugar (including Khandsari sugar) is estimated at 8.5 million tons, up 2.0 million from 1980/81. The increase was largely due to higher cane prices, which spurred increased plantings, and good weather. SOUTH AFRICA's sugarcane crop showed a remarkable recovery after the drought-stricken 1980/81 crop. South Africa's production for 1981/82 is now estimated at 2.2 million tons from 19.5 million tons of sugarcane, compared with 1.7 million tons from 14.1 million tons of sugarcane the previous year. THAILAND's sugar output is estimated at a record 2.5 million tons from 28.0 million tons of sugarcane, up significantly from the previous season's levels of 1.7 million tons from 18.7 million tons of sugarcane. Growth in Thai cane output was largely the result of expanded area, better growing conditions and more intense use of inputs. Harvested area was up some 800,000 hectares, as Thai farmers--spurred by attractive sugar support prices--shifted more land into cane.

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World centrifugal sugar production is as follows, in million tons:

Source:	1979/80	1980/81	1981/82 1/
Beets	33.5	32.4	35.0
Cane	50.9	54.5	61.3
Total	84.4	86.9	96.3
Major Beet Sugar Producers:			
USSR	7.8	6.9	6.0
France	4.3	4.2	5.5
West Germany	3.1	3.0	3.7
United States	2.6	2.9	3.0
Italy	1.7	1.9	2.2
Poland	1.6	1.1	1.9
Turkey	1.1	0.9	1.4
United Kingdom	1.3	1.2	1.2
Netherlands	0.9	0.9	1.1
Spain	0.7	1.0	1.1
Others	8.4	8.4	7.9
Total beet sugar	33.5	32.4	35.0
Major Cane Sugar Producers:			
Brazil	7.0	8.5	8.5
India	5.2	6.5	8.5
Cuba	6.5	6.4	7.0
Australia	3.0	3.4	3.6
China	2.2	2.4	2.7
Mexico	2.8	2.5	2.6
Thailand	1.1	1.7	2.5
United States	2.4	2.5	2.5
Philippines	2.3	2.4	2.3
South Africa	2.2	1.7	2.2
Others	16.2	16.4	18.9
Total cane sugar	50.9	54.4	61.3

1/ Crop years are on a September/August basis, but include the outturn of sugar from several Southern Hemisphere countries where the crop year begins before September.

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Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	May 4, 1982		Change from previous week	A year ago
	$ per m. ton	$ per bu.	¢ per bu.	$ per m. ton
Wheat				
Canadian No. 1 CWRS-12.5%.....	201.00	5.47	0	1/
U.S. No. 2 DNS/NS: 14%........	188.50	5.13	-1	211.00
U.S. No. 2 DHW/HW: 13.5%......	202.00	5.50	-2	212.00
U.S. No. 2 S.R.W..............	172.00	4.68	-11	182.00
U.S. No. 3 H.A.D..............	185.00	5.04	+6	238.00
Canadian No. 1 A: Durum.......	1/	1/	1/	1/
Feed grains:				
U.S. No. 3 Yellow Corn........	135.00	3.43	0	163.00
U.S. No. 2 Sorghum 2/.........	137.00	3.48	-6	166.00
Feed Barley 3/................	1/	1/	1/	165.50
Soybeans:				
U.S. No. 2 Yellow.............	268.00	7.29	+1	309.00
Argentine 4/..................	266.00	7.24	+3	311.50
U.S. 44% Soybean Meal (M.T.)..	234.50	--	-1.50 5/	275.00
EC Import Levies				
Wheat 6/......................	106.20	2.89	+64	79.88
Barley........................	84.55	1.84	+13	70.71
Corn..........................	93.30	2.37	+14	69.73
Sorghum.......................	90.90	2.31	+10	68.04

1/ Not available.
2/ Optional delivery: Argentine Granifero Sorghum.
3/ Optional delivery: Canadian Feed Barley.
4/ Optional delivery: Brazil Yellow.
5/ Dollars per metric ton.
6/ Durum has a special levy.

Note: Basis May delivery.